



A BILL FOR AN ORDINANCE

RELATING TO THE TRANSPORTATION SURCHARGE.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the ordinances pertaining to the county surcharge on general excise and use taxes.

SECTION 2. The following amendment takes effect upon approval. Section 6-60.2, Revised Ordinances of Honolulu 1990 ("Use of funds"), as amended by Ordinance 17-011, is amended by amending subsections (a) and (b) to read as follows:

"(a) As required by HRS Section 248-2.6(d), moneys received from the state derived from the imposition of the surcharge established under this article will be a general fund realization. ~~[Beginning July 1, 2015, moneys]~~ Moneys received from the surcharge may be expended for ~~[the following purpose authorized by state law:~~

- (1) ~~Capital]~~ capital costs of a locally preferred alternative for a mass transit project~~]; and~~
- (2) ~~Expenses in complying with the Americans with Disabilities Act of 1990 with respect to subdivision (1)].~~

(b) No moneys received from the surcharge may be used for the following purposes:

- (1) ~~[te]~~ To build or repair public roads or highways or bicycle paths, or to support public transportation systems already in existence prior to July 12, 2005[-];
- (2) Operating costs or maintenance costs of the mass transit project or any purpose not consistent with subsection (a); or
- (3) Administrative or operating costs, marketing, or maintenance costs, including personnel costs, of the Honolulu Authority for Rapid Transportation or the Department of Transportation Services."

SECTION 3. The following amendment takes effect on December 31, 2022. Chapter 6, Article 60, Revised Ordinances of Honolulu 1990, is repealed.

~~"[Article 60. Transportation Surcharge—Use of Funds~~



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**~~Sec. 6-60.1 Establishment of surcharge—Conditions.~~**

~~Pursuant to Section 2 of Act 247, Session Laws of Hawaii, Regular Session of 2005, codified as Section 46-16.8 of the Hawaii Revised Statutes, there is hereby established a one-half percent general excise and use tax surcharge to be used for purposes of funding the capital costs of public transportation within the City and County of Honolulu as specified herein. The excise and use tax surcharge will be levied beginning January 1, 2007.~~

**~~Sec. 6-60.2 Use of funds.~~**

- ~~(a) As required by HRS Section 248-2.6(d), moneys received from the state derived from the imposition of the surcharge established under this article will be a general fund realization. Moneys received from the surcharge may be expended for capital costs of a locally preferred alternative for a mass transit project.~~
- ~~(b) No moneys received from the surcharge may be used for the following purposes:
  - ~~(1) To build or repair public roads or highways or bicycle paths, or to support public transportation systems already in existence prior to July 12, 2005;~~
  - ~~(2) Operating costs or maintenance costs of the mass transit project or any purpose not consistent with subsection (a); or~~
  - ~~(3) Administrative or operating costs, marketing, or maintenance costs, including personnel costs, of the Honolulu Authority for Rapid Transportation or the Department of Transportation Services.~~~~
- ~~(c) The annual report of the Board of Directors of the Honolulu Authority for Rapid Transportation required by the Revised Charter of the City and County of Honolulu, must include:
  - ~~(1) Any and all costs associated with:
    - ~~(A) Contingency and other reserves as recommended by the Federal Transit Administration and as detailed in the Updated Final Financial Plan for the Full Funding Grant Agreement;~~
    - ~~(B) ADA accessibility improvements to the minimum operable segment of the locally preferred alternative for the mass transit project;~~~~~~



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- ~~(C) Planning and design costs for route expansion within the limits of the locally preferred alternative adopted by Ordinance 07-001; and~~
- ~~(D) Infrastructure improvements to rail station areas to support affordable housing, as permitted by State and Federal law;~~
- ~~(2) An updated cash balance summary that contains all revenues and expenditures. The summary will include cash balances for each revenue source and each category of project cost showing the cash balance at the start of the accounting period and the cash balance at the end of the period;~~
- ~~(3) A capital improvement program status report in substantially the same form as that submitted by the director of budget and fiscal services for the city's executive capital improvement program; and~~
- ~~(4) All amounts invoiced by and paid to general contractors for the fiscal year just ended. The amounts must be organized by general contractor, separately reflect amounts billed by the general contractor for work done by its subcontractors, and include the following information:
  - ~~(A) The names of general contractors and their respective subcontractors;~~
  - ~~(B) The type of services provided by each general contractor and subcontractor;~~
  - ~~(C) A detailed description and justification for the work done by each general contractor and subcontractor; and~~
  - ~~(D) The amount invoiced by and paid to each general contractor, and the amount invoiced by each subcontractor to the general contractor for the described work.~~~~
- ~~(d) For purposes of this article, "capital costs" means the same as defined in HRS Section 46-16.8, as it may be amended, for a county with a population greater than 500,000.~~

**~~Sec. 6-60.3 Repeal of surcharge.~~**

~~Pursuant to Section 9 of Act 247, Session Laws of Hawaii, Regular Session of 2005, this article will be repealed on December 31, 2022.]"~~



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SECTION 4. The following amendment takes effect upon approval. Ordinance 17-011 is amended by repealing SECTION 3.

SECTION 5. The following amendment takes effect on January 1, 2023. Chapter 6, Article 60, Revised Ordinances of Honolulu 1990 ("Revolving Special Funds, Housing Mortgage Loans and Fees"), as enacted in Section 4 of Ordinance 16-1, and amended by Section 5 of Ordinance 17-011, is amended to read as follows:

**"Article 60. Transportation Surcharge—Use of Funds**

**Sec. 6-60.1 Establishment of surcharge—Conditions.**

Pursuant to Section [2] \_\_\_\_\_ of Act [247,] \_\_\_\_\_, Session Laws of Hawaii, [Regular] Special Session of [2005,] 2017, codified as Section 46-16.8 of the Hawaii Revised Statutes, there is hereby established a one-half percent general excise and use tax surcharge to be used for purposes of funding the capital costs of public transportation within the City and County of Honolulu as specified herein. The excise and use tax surcharge will be levied beginning January 1, 2007.

**Sec. 6-60.2 Use of funds.**

(a) As required by HRS Section 248-2.6(d), moneys received from the state derived from the imposition of the surcharge established under this article will be a general fund realization. ~~[Beginning July 1, 2015, moneys]~~ Moneys received from the surcharge may be expended for ~~[the following purposes authorized by state law:~~

(1) ~~Capital]~~ capital costs of a locally preferred alternative for a mass transit project~~]; and~~

(2) ~~Expenses in complying with the Americans with Disabilities Act of 1990 with respect to subdivision (1)].~~

(b) No moneys received from the surcharge may be used for the following purposes:

(1) ~~[to]~~ To build or repair public roads or highways or bicycle paths, or to support public transportation systems already in existence prior to July 12, 2005~~[-];~~

(2) Operating costs or maintenance costs of the mass transit project or any purpose not consistent with subsection (a); or



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- (3) Administrative or operating costs, marketing, or maintenance costs, including personnel costs, of the Honolulu Authority for Rapid Transportation or the Department of Transportation Services.
- (c) The annual report of the Board of Directors of the Honolulu Authority for Rapid Transportation required by the Revised Charter of the City and County of Honolulu, must include:
- (1) Any and all costs associated with:
- (A) Contingency and other reserves as recommended by the Federal Transit Administration and as detailed in the Updated Final Financial Plan for the Full Funding Grant Agreement;
  - (B) ADA accessibility improvements to the minimum operable segment of the locally preferred alternative for the mass transit project;
  - (C) Planning and design costs for route expansion within the limits of the locally preferred alternative adopted by Ordinance 07-001; and
  - (D) Infrastructure improvements to rail station areas to support affordable housing, as permitted by State and Federal law;
- (2) An updated cash balance summary that contains all revenues and expenditures. The summary will include cash balances for each revenue source and each category of project cost showing the cash balance at the start of the accounting period and the cash balance at the end of the period;
- (3) A capital improvement program status report in substantially the same form as that submitted by the director of budget and fiscal services for the city's executive capital improvement program; and
- (4) All amounts invoiced by and paid to general contractors for the fiscal year just ended. The amounts must be organized by general contractor, separately reflect amounts billed by the general contractor for work done by its subcontractors, and include the following information:
- (A) The names of general contractors and their respective subcontractors;



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- (B) The type of services provided by each general contractor and subcontractor;
  - (C) A detailed description and justification for the work done by each general contractor and subcontractor; and
  - (D) The amount invoiced by and paid to each general contractor, and the amount invoiced by each subcontractor to the general contractor for the described work.
- (d) For purposes of this article, "capital costs" means nonrecurring costs required to construct a transit facility or system, including debt service, costs of land acquisition and development, acquiring of rights-of-way, planning, design, and construction, including equipping and furnishing the facility or system. "Capital costs" also include nonrecurring personal services and other overhead costs that are not intended to continue after completion of construction of the minimum operable segment of the locally preferred alternative for a mass transit project.

**Sec. 6-60.3 Repeal of surcharge.**

Pursuant to Section [7] \_\_\_\_\_ of Act [240,] \_\_\_\_\_, Session Laws of Hawaii, [~~Regular~~] Special Session of [~~2015,~~] 2017, this article will be repealed on December 31, [~~2027~~] 2030."

SECTION 6. Ordinance material to be repealed is bracketed and stricken. New ordinance material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE 17 - 48

BILL 45 (2017), CD1

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SECTION 7. The repeal in SECTION 3 of this ordinance takes effect on December 31, 2022. SECTION 5 of this ordinance takes effect on January 1, 2023. The other Sections of this ordinance take effect upon approval.

INTRODUCED BY:

Ron Menor (br)

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DATE OF INTRODUCTION:

April 20, 2017  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

*Lisa S. Hiranara*  
Deputy Corporation Counsel LISA S. HIRANARA

APPROVED this 7<sup>th</sup> day of Sept., 20 17.

*Kirk Caldwell*  
KIRK CALDWELL, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 17 - 48

BILL 45 (2017), CD1

Introduced: 04/20/17

By: RON MENOR - BY REQUEST

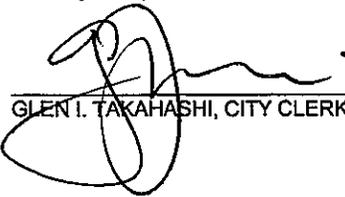
Committee: BUDGET/TRP (JOINT  
REFERRAL)

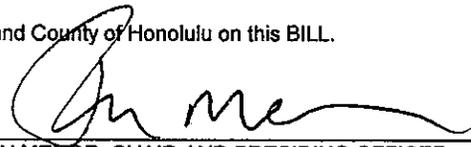
Title: A BILL FOR AN ORDINANCE RELATING TO THE TRANSPORTATION SURCHARGE.

Voting Legend: \* = Aye w/Reservations

04/26/17	COUNCIL	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET. 7 AYES: ANDERSON, ELEFANTE, KOBAYASHI*, MANAHAN, MENOR, OZAWA, PINE. 2 NOES: FUKUNAGA, MARTIN.
04/29/17	PUBLISH	PUBLIC HEARING NOTICE PUBLISHED IN ANTICIPATION OF COMMITTEE ACTION IN THE HONOLULU STAR-ADVERTISER.
05/03/17	BUDGET	CR-176 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.
05/10/17	COUNCIL/PUBLIC HEARING	CR-176 ADOPTED. BILL PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET. 6 AYES: ANDERSON, ELEFANTE, MANAHAN, MENOR, OZAWA*, PINE. 3 NOES: FUKUNAGA, KOBAYASHI, MARTIN.
05/17/17	PUBLISH	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
05/24/17	BUDGET	BILL DEFERRED IN COMMITTEE.
08/23/17	BUDGET	BILL DEFERRED IN COMMITTEE.  CC-289 ANDERSON - BILL RE-REFERRED FROM COMMITTEE ON BUDGET TO COMMITTEES ON BUDGET/TRANSPORTATION AND PLANNING (JOINT REFERRAL).
08/31/17	BUDGET/TRANSPORTATION AND PLANNING (JOINT)	CR-343 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.
09/06/17	COUNCIL	CR-343 ADOPTED AND BILL 45 (2017), CD1 PASSED THIRD READING AS AMENDED. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE. 1 ABSENT: OZAWA.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

  
GLEN I. TAKAHASHI, CITY CLERK

  
RON MENOR, CHAIR AND PRESIDING OFFICER